Office - Supreme Court, U. S.
FILED
DEC 28 1942
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1942

No. 602

CARON CORPORATION,
Petitioner,
against
R. K. O. RADIO PICTURES, INC.,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE APPELLATE DIVISION OF THE SUPREME COURT OF THE STATE OF NEW YORK, FIRST DEPARTMENT, AND BRIEF IN SUPPORT THEREOF

JOSEPH H. CHOATE, JR.,
WILLIAM BYRD,
MAURICE LÉON,
Counsel for Petitioner.

INDEX

	PAGES
Petition for Writ of Certiorari	1
History of the Case	1
Summary Statement of Matter Involved	4
Jurisdiction	6
Opinions Below	7
The Question Presented	7
Reasons for Granting Petition	8
Brief in Support of Petition	11
Argument	11
Conclusion	15

Cases Cited

American Foundries v. *Robertson*, 269 U. S. 372..... 12
Bourjois v. *Katzel*, 260 U. S. 689..... 14
Old Dearborn v. *Seagram*, 299 U. S. 183.....8, 13
Pecheur Lozenge Co. Inc. v. *National Candy Co. Inc.*, 315 U. S. 666..... 12
Thaddeus Davids Co. v. *Davids*, 233 U. S. 461..... 12
U. S. v. *Bank of New York Co.*, 296 U. S. 463..... 14

Statutes Cited

N. Y. Civil Practice Act:
Sections 588, 589, 592..... 3
U. S. Trademark Act of 1905, U. S. C. Title 15:
Sections 81-109 4
Section 99 9
U. S. C. Title 28, Sec. 344(b) 6
Judicial Code, Sec. 237(b) 6

IN THE

Supreme Court of the United States

OCTOBER TERM, 1942

CARON CORPORATION,
Petitioner,
against
R. K. O. RADIO PICTURES, INC.,
Respondent.
No.

PETITION FOR WRIT OF CERTIORARI

To the Honorable, the Chief Justice of the United States, and the Associate Justices of the Supreme Court of the United States:

Your petitioner, CARON CORPORATION, respectfully submits its petition for a Writ of Certiorari to review the decision of the Appellate Division of the Supreme Court of the State of New York, First Department, affirming the final judgment of the Supreme Court of the State of New York, in and for the County of New York.

History of the Case

The petitioner's action against respondent is for an injunction restraining an unauthorized use by respondent of petitioner's trade-marks registered in the United States Patent Office under the Act of February 20, 1905, namely:

Trade-mark	*Number*	*Registered*
CARON	164,476	February 20, 1923
FLEURS DE ROCAILLE	311,439	March 20, 1934
Pictorial trade-mark	318,041	October 16, 1934

as also petitioner's design patents registered in the United States Patent Office Numbers 88,067, 1,918,243 and 2,020,095 covering petitioner's "Fleurs de Rocaille" bottle.

Respondent's unauthorized use of said trade-marks and design patents consists of its use in a motion picture of a pictorial representation of petitioner's "Fleurs de Rocaille" package showing petitioner's trade-marks and design patents in a manner detrimental to petitioner, after obtaining a dummy of said bottle and box from petitioner for a totally different purpose and by representations which amounted to fraud. Petitioner delivered to respondent said dummy of its said box and bottle having thereon said trade-marks and thus easily identifiable, pursuant to an offer by respondent which petitioner accepted by shipping a set of so-called dummies as requested in respondent's offer. Under the terms of said offer the said articles were to be used by respondent to the mutual advantage of petitioner and respondent and in adorning the sets of scenery utilized by respondent in the making of motion picture scenes depicting luxurious interiors for the purpose of enhancing the appearance of luxury and refinement of such interiors so as to constitute publicity valuable to petitioner for its perfume in harmony with petitioner's own advertising of the same.

Upon respondent's motion, made solely upon the third amended complaint and constituting an admission of all the facts alleged in said complaint, a final judgment was entered in the Supreme Court of the State of New York in and for the County of New York dismissing petitioner's

third amended complaint, wherein petitioner prayed for an injunction restraining said unauthorized use of its trademarks and design patents, upon the ground that it failed to state a cause of action in equity for an injunction.

From said judgment petitioner appealed to the Appellate Division of the Supreme Court of the State of New York, First Department, hereinafter referred to as Appellate Division. That Court unanimously affirmed the said judgment. Under the statutes of the State of New York, a party cannot appeal to the Court of Appeals of the State of New York, the only Court in the State higher than the Appellate Division, from a unanimous affirmance of a judgment by the Appellate Division, unless leave to appeal is granted by either the Appellate Division or the Court of Appeals of the State of New York (*New York Civil Practice Act*, Sections 588, 589 and 592). Petitioner's motion in the Appellate Division for leave to appeal to the Court of Appeals, which was duly and timely made, was denied and its motion to the Court of Appeals of the State of New York for leave to appeal to that Court, which was also duly and timely made after the denial of its said motion in the Appellate Division, was denied by the Court of Appeals.

The Appellate Division is, therefore, the highest Court in the State of New York to which petitioner is allowed by the statutes of the State of New York to appeal the said final judgment dismissing its complaint.

The judgment of the Appellate Division unanimously affirming the judgment dismissing the complaint, was made and entered May 22, 1942 (R. p. 83). Petitioner's motion to the Court of Appeals was denied by the order of that Court made and entered October 8, 1942 (R. p. 101-102).

Said judgment was a final judgment in all respects, notwithstanding that the order dismissing the third amended

complaint, which order was the basis upon which the judgment was entered, granted leave to petitioner to amend its complaint. The said order granted leave to serve an amended complaint setting up a cause of action at law for actual and ascertainable damages; but the complaint expressly alleges (and the truth of the allegations is, of course, admitted by the motion) that the actual damages cannot be ascertained or proved. Said order and the final judgment finally disposed of petitioner's cause of action in equity for an injunction (R. p. 7-9) the only cause of action which the petitioner has.

Summary Statement of Matter Involved

This case presents the refusal of the Courts of the State of New York to grant a remedy provided for by the Act of Congress of February 20, 1905, U. S. C. Title 15, Sections 81-109, as amended, commonly referred to as the United States Trade-Mark Act of 1905, namely the right of the owner of a trade-mark registered in the United States Patent Office to obtain an injunction to "prevent the violation of any right of" such owner in respect to a trade-mark registered in the United States Patent Office.

Petitioner is the owner of the said trade-marks and the good-will appurtenant thereto as also the said United States design patents covering the bottle and box in which the perfume is sold and on which the said registered trade-marks appear (R. p. 14-15).

At great expense, through advertising, said box and bottle and petitioner's trade-marks have become a widely recognized symbol of said perfume "Fleurs de Rocaille" as a luxury product of the highest quality and reputation by the elite of women users (R. p. 15).

With knowledge of petitioner's rights in said box and bottle and the said trade-marks and good-will appurtenant thereto, in breach of the agreement under which it obtained petitioner's box and bottle, and without authority from petitioner, respondent, after obtaining a set of dummies from plaintiff by fraudulent representations, used one of them, namely the bottle and box in question in the making of a scene in a motion picture depicting a squalid interior in a shack in which two depraved persons, namely a common harlot and her mother, an ex-harlot, a hag in appearance, figure, the daughter making a gift of petitioner's package to her mother in the presence of the daughter's husband, a confirmed drunkard, and also of the daughter's two children. Such use of petitioner's trade-marked product and good-will appurtenant thereto in said motion picture is exclusively to the advantage of respondent and to the detriment of petitioner (R. p. 18-19).

The scene in which petitioner's trade-marked product is shown is such as to elicit the disapproval of many persons and the showing of said screen play was forbidden by the police authorities of at least one great city, namely Detroit, Michigan, and showing thereof was refused by the Radio City Music Hall, one of the best-known motion picture theatres in New York City because of the nature of the scene in which petitioner's package of "Fleurs de Rocaille" perfume is used (R. p. 20-21).

The acts complained of were calculated and likely to give the general public attending motion pictures, the impression that petitioner had consented to the use made of such package in the scene in question and might have done so in consideration of some pecuniary gain, and by implication that petitioner had made itself a party to the presentation of said scene (R. p. 21).

Respondent has made, is making and threatens to continue to make use of petitioner's trade-marks in a manner wholly unauthorized by petitioner, exclusively for respondent's benefit to the wilful injury of petitioner's valuable good-will to which said trade-marks are appurtenant; this constitutes wilful and unlawful appropriation of petitioner's property, trade-marks and good-will (R. p. 21).

Petitioner has no adequate remedy at law; the extent of injury thereby is incapable of ascertainment since it is manifestly impossible for petitioner to ascertain how many actual and potential users of petitioner's goods attend the showing of the motion picture in question; and unless the showing of petitioner's box and bottle by respondent is enjoined, respondent will continue showing the same, throughout this country and foreign countries, to petitioner's further injury, which is likewise incapable of ascertainment (R. p. 22).

Jurisdiction

Jurisdiction to review the aforesaid judgment is granted by U. S. C. Title 28, Sec. 344(b) (Section 237(b) of the Judicial Code), which provides, in part, as follows:

> "(b) It shall be competent for the Supreme Court, by certiorari, to require that there be certified to it for review and determination, with the same power and authority and with like effect as if brought up by appeal, any cause wherein a final judgment or decree has been rendered or passed by the highest court of a State in which a decision could be had * * * where any title, right, privilege, or immunity is specially set up or claimed by either party under * * * any * * * statute of * * * the United States; * * *"

The order of the Court of Appeals denying leave to appeal, dated and entered October 8, 1942, appears at pages 101 and 102 of the record.

Opinions Below

The Appellate Division's affirmance was without opinion (R. p. 88, 96). The opinion of the Supreme Court at Special Term dismissing the third amended complaint is not officially reported and is printed at pages 7 to 9 in the record. The opinions of that Court dismissing the second amended complaint, dismissing the first amended complaint and denying petitioner's motion for a preliminary injunction are printed in the record at pages 75-78, 55-57, and 32-37, respectively.

The Question Presented

> Whether an owner of a trade-mark registered in the United States Patent Office under the United States Trade-Mark Act of 1905 suing in equity in a State Court may enjoin an unauthorized use of such mark detrimental to such owner where such use involves no trade competition in the ordinary sense.

This question was properly raised in the pleadings (R. p. 13-25) passed upon by the State Courts (R. p. 8, 35, 55-56 and 77) and again raised on petitioner's motions before the Appellate Division and the Court of Appeals for leave to appeal to the Court of Appeals (R. p. 84-85, 88-89, 94-97).

Reasons for Granting Petition

The grounds upon which the Writ of Certiorari is asked are:

A. The decisions of the State Courts herein are in conflict with the decisions of this Court and the clear provisions of the United States Trade-Mark Act of 1905.

The affirmance by the Appellate Division finally decides, so far as the State Courts can determine the question, that use of a registered trade-mark, for the benefit of the user, without the consent of the owner, cannot be enjoined by the owner when the use does not constitute unfair competition or an attempt "to dispose of the user's product as being that of the" owner. The holding is unequivocal that the owner of such a trade-mark cannot deny its use to others at will, or when he deems a particular use disadvantageous to him, or even when such use is, as the allegations of the third amended complaint herein amply suffice to show, actually disadvantageous to him, but only when the use will unfairly compete, or deceive purchasers as to the origin of goods.

The petitioner respectfully submits that this is not the law but is contrary both to the decisions of this Court and to the Federal statute. In *Old Dearborn* v. *Seagram,* 299 U. S. 183 this Court explicitly held that a trade-mark owner was entitled to enjoin use made without his consent, for the user's own benefit, under conditions presenting no possible aspect of unfair competition, passing-off, or deceit of purchasers. That use was the sale, without the consent of the trade-mark owner, of trade-marked goods, as such, at prices below those established under the Illinois Fair

Trade Act. This decision, we submit, establishes that without the consent of the trade-mark owner, no other person, not even a buyer of the trade-marked goods, can use the mark for his own benefit, and that equity will prevent unauthorized use, even when there is no element of unfair competition or deception.

The decision sought to be reviewed is equally contrary to Federal statute (Trade-Mark Act of 1905, 15 U. S. C. Sec. 99) which explicitly entitles "the owner of a trade-mark registered" under the Act to an injunction "according to the course and principles of equity to prevent the violation of any right of" the owner.

B. The question presented is of substantial and growing importance; it involves an important point of law which should be settled by this Court.

The particular unauthorized use of a trade-mark here in question is perhaps a novel form of trade-mark piracy but it presents a problem which will necessarily arise with increasing frequency. Motion pictures and television employ and depict innumerable articles of commerce. The trade-marks on these, when shown, are shown at the desire and for the purposes of the exhibitor, not of the owner of the mark. These uses may be beneficial or harmful to the owner. They may help in, or conflict with his advertising and promotion. Either anyone may thus make use of trade-marks (not involving deceit or passing-off) as the New York Court has held, or the rights of the trade-mark owner protected by the Trade-Mark Act include the right to prevent any use of the mark to which he has not consented. It would seem that a wide and increasing public interest requires a decision of this question by this Court.

Conclusion

WHEREFORE petitioner prays that a Writ of Certiorari may be issued out and under the seal of this Court directed to the Appellate Division of the Supreme Court of the State of New York, First Department, to the end that the judgment of the Appellate Division may be reviewed and reversed by this Court, and for such other and further relief as the Court may deem just and proper.

New York, December 23, 1942.

CARON CORPORATION,
Petitioner.

By JOSEPH H. CHOATE, JR.,
WILLIAM BYRD,
MAURICE LÉON,
Counsel for Petitioner.